

HEIMAN, GOUGE & KAUFMAN, LLP
ATTORNEYS AT LAW
800 KING STREET, SUITE 303
P.O. BOX 1674
WILMINGTON, DELAWARE 19899-1674

HENRY A. HEIMAN *
DONALD L. GOUGE, JR.
SUSAN E. KAUFMAN**

TELEPHONE: 302-658-1800
FAX: 302-658-1473

*ALSO ADMITTED IN NEW YORK
**ALSO ADMITTED IN PENNSYLVANIA

January 24, 2007

The Honorable Sue L. Robinson
Chief Judge
United States District Court
844 King Street
Wilmington, DE 19801

Re: In Re: The Gingiss Group Inc., et al.
Bk. No. 03-13364 (MFW)

Alfred T. Giuliano, Chapter 7 Trustee for the estates of The Gingiss Group Inc. et al., v. Sulmeyer Kupetz
Adv. No. 06-50618 (KJC)
District Court No. 06-cv-00518 (SLR)

Dear Chief Judge Robinson:

I write in response to the Court's request for a status report on the Motion to Withdraw the Reference that was filed by Sulmeyer Kupetz with respect to this Bankruptcy Adversary Proceeding.

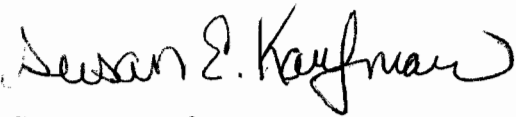
I report to the Court that the matter has been settled in principal, however the settlement is subject to the approval of the Bankruptcy Court before it can be effective. I am advised by counsel for the Trustee that they anticipate filing the motion pursuant to Bankruptcy Rule 9019 this week. An order approving the settlement is expected to be entered in approximately thirty days. Once the settlement is approved, the Motion to Withdraw the Reference will be moot and Sulmeyer Kupetz will dismiss the District Court case.

The parties request the indulgence of the Court in continuing the briefing on the Motion to Withdraw the Reference for thirty days.

The Honorable Sue L. Robinson
January 23, 2007
Page Two

Should the Court have any questions, counsel is available at the convenience of the Court.

Respectfully,

A handwritten signature in black ink, appearing to read "Susan E. Kaufman", with a stylized flourish at the end.

Susan E. Kaufman

cc: Samuel Israel, Esquire
Sheldon K. Rennie, Esquire
Seth A. Niederman, Esquire
Howard Madris, Esquire
Clerk of Court